

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

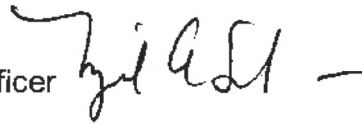
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Date: November 24, 2015

CAO File No. 0220-00540-XXXX  
Council File No. 14-1662  
Council District: 1, 2, 7, 8, 9 and 10

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Housing and Community Investment Department Transmittal dated October 14, 2015; Received by the City Administrative Officer on October 19, 2015

Subject: **REQUEST TO UTILIZE \$550,000 IN PROGRAM INCOME FOR PROPERTY MANAGEMENT EXPENSES FOR SITES TRANSFERRED FROM THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF LOS ANGELES**

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**SUMMARY**

The Housing and Community Investment Department (HCID) requests approval to use \$550,000 in program income to pay for property management expenses for housing assets transferred from the former Community Redevelopment Agency of Los Angeles (CRA/LA) to HCID as the Housing Successor to the former CRA/LA. The requested program income was received from former CRA/LA projects transferred to HCID as the Housing Successor Agency to the former CRA/LA. The HCID also requests authorization for the Controller to establish accounts within Low and Moderate Income Housing Fund (LMIHF) No. 55J, and to appropriate funds within the new accounts. There will be no impact to the General Fund as a result of these actions. This Office is in concurrence with the HCID recommendations.

**BACKGROUND**

In February 2013, the Mayor and Council approved various actions to facilitate the transfer of housing assets from the former CRA/LA to HCID (C.F. 12-0049). As part of the asset transfer HCID accepted quitclaim deeds for the 22 housing assets and assumed responsibility for the security, maintenance and management of the sites.

The HCID staff has documented health and safety concerns at the sites including vandalism, trespassing, and illegal trash dumping. Additionally, there is an ongoing need for security patrol services to prevent criminal activity at several of the sites.

On January 21, 2015, the Mayor and Council approved the utilization of \$340,000 in program income from the LMIHF No. 55J to pay invoices for utilities, site maintenance and security at one of the former CRA/LA sites at 5828-5936 Wall Street and 5829 South Los Angeles Street and known as the Slauson-Wall Site (C.F. 14-1662). The HCID utilized the Los Angeles Police

Department contract with G4S Secure Solutions, Inc. (G4S) to provide security for the property and worked with the Department of General Services (GSD) to demolish the bridge between the parcels. The invoice from the Los Angeles Department of Water and Power (LADWP) was for service fees related to the fire hydrant and emergency sprinkler systems on the Site.

The HCID proposes to utilize program income within the Low and Moderate Income Housing Fund No. 55J in an amount not to exceed \$550,000 for security and maintenance for housing assets transferred from the former CRA/LA. The HCID estimates that the \$550,000 will be used for the following:

Use	Amount
To pay LADWP invoices for power to illuminate sites to deter nuisance activity and water to maintain fire sprinklers and services	\$ 40,000
Cleaning and maintenance services provided by GSD	130,000
G4S security patrol services	380,000
<b>TOTAL</b>	<b>\$ 550,000</b>

## RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, Housing and Community Investment Department (HCID), or designee, to:
  - a. Expend \$550,000 in program income received from former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) projects transferred to HCID to pay invoices submitted by the Los Angeles Department of Water and Power (DWP) (\$40,000), the Department of General Services (GSD) (\$130,000), and G4S Secure Solutions, Inc. (G4S) (\$380,000), for site maintenance costs including security, fire service charges, utilities, signage and the cleanup for 22 former CRA/LA sites;
  - b. Prepare Controller's instructions, and any necessary technical adjustments, consistent with the actions of the Mayor and Council, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions;

2. Authorize the Controller to:

- a. Establish new accounts and appropriate \$550,000 within Fund No. 55J, Low and Moderate Income Housing Fund, as follows:

Account	Title	Amount
43M143	HCIDLA	\$ 40,000
43M140	General Services	130,000
43M447	Security	380,000
<b>TOTAL</b>		<b>\$ 550,000</b>

- b. Appropriate \$40,000 within Fund No. 100/43, Account No. 003340 Water and Utilities;

- c. Appropriate \$130,000 within Fund No. 100/40 as follows:

Account	Title	Amount
001014	Construction Salaries	\$ 78,000
003180	Construction Materials	52,000
<b>TOTAL</b>		<b>\$ 130,000</b>

- d. Expend funds upon proper written demand of the General Manager, HCID, or designee.

**FISCAL IMPACT STATEMENT**

There is no impact to the General Fund as a result of the recommendations of this report. Funding to provide security, maintenance, and clean-up services for the former CRA/LA housing assets is provided by program income from the former CRA/LA. The recommendations of this report comply with City Financial Policies, in that funding for the services provided is available within the identified funds.